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Governor Proposes Rise in Income Tax for Illinois

By MONICA DAVEY

CHICAGO — Gov. Patrick J. Quinn on Wednesday proposed raising the state income tax rate, just one in a long list of painful measures aimed at closing a budget deficit that some now estimate at \$13 billion.

"This is urgent," Mr. Quinn, a Democrat, told lawmakers in Springfield, as he laid out an austere budget proposal for next year that includes spending cuts, leaving some bills unpaid and borrowing more money.

"We don't have six months. We don't have six weeks."

But Mr. Quinn's proposal to raise the state's personal income tax to 4 percent from 3 percent — a move he portrayed as a "surcharge for education" — comes at a particularly risky political moment, one that numerous governors find themselves facing in a fiscally grim year: he is seeking election in November. And tax increases rarely make for popular campaign material.

Nationwide, experts say, states closed \$117 billion in budget gaps in the last fiscal year, and have resolved — or are working to resolve — \$174 billion more in gaps this fiscal year.

And if there are hints of economic improvement on other fronts, there are signs of the opposite in the states, which traditionally continue to struggle even after recovery is seen in other segments of the economy, and which are anticipating an end to federal stimulus dollars.

"A lot of the easy decisions were already made," said Todd Haggerty, an analyst with the National Conference of State Legislatures.

"The more painful ones are all that's left." All of which has left governors in the unhappy position of deciding whether to even broach increases in taxes, fees and other charges in an election year.

Mr. Quinn described his wishes to lawmakers at midday, and within the hour found himself facing skepticism.

He presented the notion of an increase as an unadorned choice: that or devastating cuts to the state's education system. Some lawmakers from his own party, which controls both chambers of the legislature, seemed positive but noncommittal at the prospect of a tax increase.

The Republican Party, which has expressed high hopes of retaking the governor's mansion and a United States Senate seat from Illinois this year, issued a scathing assessment.

"Governor Quinn laid out one of the most irresponsible budgets the people of Illinois have ever seen, perpetuating the status quo of massive borrowing and spending that got us into the fiscal crisis we face today," Pat Brady, the state party chairman, said, later adding, "Raising taxes 33 percent on Illinois families is not the answer to fixing this budget mess."

Bill Brady, a state senator and the Republican nominee for governor (who is not related to the party chairman), has called for no tax increase, and advocates spending cuts to close the budget deficit.

The income tax rate increase Mr. Quinn proposed on Wednesday was actually less than one that he proposed a year ago, which was ultimately ignored by state lawmakers.

Some had wondered whether he would even suggest the idea again, given the months of campaigning ahead, but Mr. Quinn seemed to suggest that he had weighed the politics carefully.

"That 1 percent will be enough to restore our education budget to current levels," he said, " and allow us to get caught up on some of the millions of dollars we owe to our public schools, to our community colleges, to our four-year universities. I believe this 1 percent for education makes sense, and I think the people of Illinois will understand."